

# NJBIA

## AT ISSUE *By Christine Stearns, Vice President*

### Health Insurance Reform: Is Help Coming at Last?

**Health insurance premiums.** For 20 years, NJBIA members have ranked the cost of employee health-care coverage their top problem in the Association's annual Business Outlook Survey.

With US healthcare spending estimated to reach \$2.5 trillion in 2009, that's no surprise. That means we are spending a whopping \$7,000 per person on healthcare.

Relief may be on the horizon. For the first time in more than a decade, it seems that Congress is poised to act. The question is what will they do?

Many fear a government-run, single-payer system will result. But that doesn't seem likely since the Obama Administration seems intent on learning valuable lessons from the failed Clinton healthcare plan.

Instead, we are told that the new system will build on the strengths of our current system. It will aim to provide coverage to those who cannot afford it and ensure that everyone gets high-quality care.

That sounds good. Almost too good. And it might be.

It seems the following concepts are likely to be part of a federal health reform bill:

- requiring all individuals to obtain health insurance coverage;
- creation of a health insurance exchange (or connector) to facilitate the purchase of insurance in the individual and small-group markets (the number of employees in a "small group" has yet to be determined);
- insurance reform within and outside the connector;
- expanded access to current public programs such as federal SCHIP (State Children's Health Insurance Program) and Medicaid; and
- reform to the health delivery system that focuses on how to provide more value and better quality.

Among the unresolved issues are how to pay for health reform (estimates exceed \$1 trillion) and whether employers should be required to help pay for healthcare coverage either by providing employee coverage or paying some type of fee (NJBIA

strongly opposes this approach).

One of the most controversial components under consideration is whether to include a public plan option. Administration officials seem to strongly support a public plan option. At press time, the details are still being worked out.



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The skyrocketing costs are due in large part to the huge sums we now spend on an extraordinarily inefficient system of piecemeal treatment for late-stage chronic diseases. Our reimbursement system seems to reward this inefficiency.

If we are serious about reforming healthcare, we must ensure that patients get high-quality efficient care. We can do that by moving toward a reimbursement system that realigns incentives, focuses on prevention and increases quality and patient safety.

Often the healthcare debate centers around who pays for it—employers, individuals or the government. Until we focus on what we are paying for, we will never get to the type of healthcare system we need. **NJB**